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## CENTRAL INTELLIGENCE GROUP INTELLIGENCE REPORT

COUNTRY China

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INFO.

SUBJECT

Economic Information: Chinese Communist Transportation Company

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SUPPLEMENT

ORIGIN 25X1X6

The New Fourth Route Army of the North Klangsu and the Bighth

- Route Army of North China have jointly formed a sea transportation corps with over thirty junks, each capable of carrying a cargo of between one hundred and three hundred tons. It is organized into a business company called "Ta Li Kung Szu", and has five branches. in Shanghai under different names.
- The company operates shipping on three routes:
  - a. from Toosung to the area of Chefoo and Tsingtao
  - b. from Toosung to small ports along the coast of North Kiangsu
  - from Woosung up the Yangtze River
- 3. The needs of the Communists consist of the following: gasoline, kerosene, fuel oils, bank-note paper, printing inks, chemicals, arms and ammunition, battery cells (U.S.-made preferred), cotton piece goods, matches, underwear, socks, and other sundries. In return the following materials are brought out from their area for trading purposes: cotton, bean and peanut oils, salt, and other local products. Each fifty gallons of gasoline or kerosene is exchanged for ten piculs of bean or peanut oil or for two hundred and fifty piculs of salt.
- The company has connections with the customs staff, the garrison and the police at Toosung so that contrabands may be loaded at night. On goods imported from North Kiangsu there must be paid a national tax and a surtax, the former being receipted and the latter not. The company also has secret connections with the local garrisons at the river ports in Worth Kiangsu, who collect transit duties from them without giving them any receipts. There is also a kind of mass which allows goods to be taken from one river mert into another freely. For instance, the garrisons of one port, on receiving a pass issued by the garrison of another port, can present the pass to the first garrison in order to share the duties niready collected.

FOR DECLASSIFICATION ACTION

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LW:	ADSO	X	A DEP.	X	FBT		SPDF		VTO		SX	
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